



## **H.R. 885 – International Nuclear Fuel for Peace and Nonproliferation Act of 2007**

### **Floor Situation**

H.R. 885 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Tom Lantos (D-CA) on February 7, 2007, and was reported, as amended, by the House Committee on Foreign Affairs on May 23, 2007.

H.R. 885 is expected to be considered on the floor on June 18, 2007.

### **Summary**

H.R. 885:

- Authorizes \$50 million for FY2008 and to remain available until September 30, 2010 for the President to make voluntary contributions to the International Atomic Energy Agency (IAEA) for the purpose of supporting the establishment of an international nuclear fuel bank to maintain a reserve of low-enriched uranium for reactor fuel to provide to eligible countries in the case of a disruption in the supply of reactor fuel by normal market mechanisms.
- Requires that in order for the President to make the voluntary contributions the President must first certify the following to Congress:
  - The IAEA has received at least \$100 million in pledges for supporting the establishment of an international nuclear fuel bank,
  - The international nuclear fuel bank will be established within the territory of a non-nuclear weapon state and will be under the oversight of the IAEA,
  - The international nuclear fuel bank will provide nuclear reactor fuel to a country only if:
    - At the time of the request for nuclear reactor fuel, the country is in full compliance with its IAEA safeguards agreement and has an additional protocol for safeguards in force;

- In the case of a country that at any time prior to the request for nuclear reactor fuel has been determined to be in noncompliance with its IAEA safeguards agreement, the IAEA Board of Governors determines that the country has taken all necessary actions to satisfy any concerns of the IAEA Director General regarding the activities that led to the prior determination of noncompliance;
  - The country agrees to use the nuclear reactor fuel in accordance with its IAEA safeguards agreement; and,
  - The country does not operate uranium enrichment or spent-fuel reprocessing facilities of any scale.
- States that it is the Sense of Congress that:
- The 'Concept for a Multilateral Mechanism for Reliable Access to Nuclear Fuel', proposed by the United States, France, the Russian Federation, Germany, the United Kingdom, and the Netherlands on May 31, 2006, is welcomed and should be expanded upon at the earliest possible opportunity;
  - The proposal by the Government of the Russian Federation to bring one of its uranium enrichment facilities under international management and oversight is also a welcome development and should be encouraged by the United States;
  - The offer by the Nuclear Threat Institute (NTI) of \$50,000,000 in funds to support the creation of an international nuclear fuel bank by the International Atomic Energy Agency (IAEA) is also welcomed, and the United States and other member states of the IAEA should pledge collectively at least an additional \$100,000,000 in matching funds to fulfill the NTI proposal; and,
  - The governments, organizations, and experts currently engaged in developing the initiatives described in paragraphs (1) through (3) and other initiatives should also identify additional incentives to be included in an international regime for the assured supply of nuclear fuel for peaceful means, including participation in non-weapons-relevant technology development, fuel financing, and other financial incentives to further persuade countries that participation in such a multilateral arrangement far outweighs the temptation and expense of developing national uranium enrichment and plutonium reprocessing facilities.

## **Background**

According to the IAEA an international nuclear fuel bank “would assure a back-up supply for power reactors throughout the world on a non-discriminatory, non-political basis reducing the need for countries to develop their own uranium enrichment technologies at a time when concerns about nuclear proliferation are growing. Most government and industry experts agree that the commercial fuel market functions well in

meeting current demand. Since this would be a back-up or reserve mechanism, it would be designed inherently in a way not to disrupt the existing commercial market in nuclear fuels” ([IAEA press release: 9/15/2006](#)).

**Cost**

The Congressional Budget Office (CBO) estimates that implementing H.R. 885 would cost \$45 million in 2008 and \$50 million over the 2008-2009 period, assuming appropriation of the authorized amount.

**Staff Contact**

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